

THE ECONOMY OF INDO-CHINA

regions, but the Annamites will always prefer to relegate cotton to land where rice is impossible. In addition, climatic hazards and the commercial squeeze of the Chinese take all profits from the farmer.

Silk

Until recently silk was a family industry in all countries of the Union. Unlike cotton, this textile has since the conquest been the object of governmental solicitude. France now imports a great deal of silk, but from the sixteenth to the nineteenth centuries the Rhone Valley supplied the country's needs. With the opening of the Suez Canal and navigation, the French market was flooded first with Chinese and then with Japanese silk. Oriental silk industries have the insuperable advantage of cheap and abundant labour.

The Admirals in 1870 sent samples of Indo-Chinese silk to Lyon, but without success. A system of bonuses was instituted in 1894, under the Lanessan, but were discontinued in 1900 because of Metropolitan protests. Only in 1929 were they once more renewed. Administrative encouragement, however, continued in other fields. Taxes were lowered on silk plantations and experiments were officially undertaken. Native silk had not the solidity of its European rivals, and Annamites did not make up technical suggestions nor—patriotically enough—the foreign wins which the government brought into the country. These early attempts to improve the local silk were a failure due to the high cost of raw silk.

In 1929 a contract was made between the Indo-Chinese government and thirty Lyon manufacturers. The colonial government was to supply a Metropolitan factory with 3,000,000 cocoons annually. The Lyonnais fulfilled their end of the contract and spent more than

8,000 francs. Trouble, however, occurred in the colony, where they were unable to supply the factory with enough work, and so it had to close down. The currency crisis also had its share in upsetting the commercial equilibrium. The government's budgetary situation awaited carrying out its schemes for bonuses to be distributed to native silk growers and spinners, and also the creation of a technical school at Pnom-Penh. Although soil, climate, and labour conditions in Indo-China are favourable to this industry, a psychology of discouragement about it has persisted.

The silk industry escaped the depression until 1930-31. Indo-China consumed far more silk than it raised, but it had to face competition from artificial silk, whose cost price was much lower. Moreover, the